

## Message Text

UNCLASSIFIED

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13

ACTION NEA-12

INFO OCT-01 AF-10 EUR-25 EA-11 ADP-00 CIAE-00 DODE-00

PM-07 H-03 INR-10 L-03 NSAE-00 NSC-10 PA-03 RSC-01

PRS-01 SS-15 USIA-15 EB-11 COME-00 INT-08 SCEM-02

OMB-01 TRSE-00 RSR-01 /150 W  
----- 129099

R 040750Z SEPT 73

FM AMEMBASSY BEIRUT

TO SECSTATE WASHDC 4050

INFO AMEMBASSY AMMAN

AMEMBASSY BONN

AMEMBASSY JIDDA

AMEMBASSY KUWAIT

AMEMBASSY LONDON

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY TEHRAN

AMEMBASSY TEL AVIV

AMEMBASSY TOKYO

AMCONSUL DHAHRAN

USINT ALGIERS

USINT BAGHDAD

UNCLAS BEIRUT 10382

DEPT PASS USINT CAIRO

KUWAIT FOR GULF POSTS

E.O. 11652: N/A

TAGS: ENRG, PFOR, SA, US

SUBJECT: MEES ON SAUDI OIL POLICY: GRADUAL PRESSURE

REF: BEIRUT 8548, 9815, 10346 (NOTAL)

1. REVIEWING PUBLIC SAUDI ARABIAN OIL POLICY STATEMENTS

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AND HINTS SINCE YAMANI'S APRIL VISIT TO WASHINGTON, MIDDLE EAST ECONOMIC SURVEY (MEES) EDITOR ITAYIM IN AUG. 31 ISSUE CONCLUDES THAT SAUDIS NOW PREPARED USE OIL TO EXERT GRADUAL PRESSURE ON USG "TO MODERATE ITS PRO-ISRAELI POLICY." THIS DECISION, HE THEORIZES, PROBABLY TAKEN EARLY 1973 AND CONVEYED TO USG BY YAMANI IN APRIL, REINFORCED BY SEVERAL HIGH-LEVEL STATEMENTS SINCE THEN. SAUDIS, HIS ANALYSIS CONTINUES, RETAIN EXCLUSIVE RIGHT TO DECIDE HOW AND WHEN TO WIELD OIL WEAPON, CLEARLY PREFER GRADUATED USE OF OIL LEVERAGE IN FORM OF PROGRESSIVELY INCREASING CURBS ON RATES OF PRODUCTION GROWTH IN ORDER PROVIDE USG WITH BOTH INCENTIVE AND TIME TO REVIEW MIDDLE EAST POLICY. SAUDIS INTEND DIFFERENTIATE BETWEEN US AND EUROPE/JAPAN IN RECOGNITION LATTER'S "MORE SYMPATHETIC ATTITUDE TOWARD ARAB CAUSE" AND RECOGNIZE NEED TO ACCOMPANY ANY PRODUCTION RESTRICTIONS WITH INFORMATION CAMPAGIN DIRECTED AT PEOPLE OF TARGET STATE OR STATES, CHARACTERIZING RESTRICTIONS AS DEFENSIVE, NOT OFFENSIVE, ANALYSIS CONCLUDES.

2. MEES SAID LATEST SAUDI STATEMENTS (10346) ESPECIALLY SIGNIFICANT NOW SINCE THERE ARE REPORTS THAT ARAB HEADS OF STATE ATTENDING ALGIERS NONALIGNED CONFERENCE WILL MEET INFORMALLY IN ATTEMPT FORMULATE PLAN FOR USE OF ARAB OIL AND MONEY AS POLITICAL LEVERS IN ARAB-ISRAELI CONFRONTATION.  
BUFFUM

NOTE BY OC/T: NOT PASSED CAIRO.

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NNN

\*\*\* Current Handling Restrictions \*\*\* n/a

\*\*\* Current Classification \*\*\* UNCLASSIFIED

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** FOREIGN POLICY POSITION, PETROLEUM INDUSTRY, PETROLEUM PRODUCTION  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 04 SEP 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Drafter:** n/a  
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**Executive Order:** n/a  
**Errors:** n/a  
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**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
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**Previous Handling Restrictions:** n/a  
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**Secure:** OPEN  
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**TAGS:** ENRG, SA, US, PFOR  
**To:** STATE  
**Type:** TE  
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